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Executive Secretary

OGDR

ARIZONA CORPORATION COMMISSION

2004 OCT -8 A 9: 12

October 8, 2004 AZ CORP COMMISSION Arizona Corporation Commission

DOCKETED

Mr. William M. Garfield President Arizona Water Company 3805 North Black Canyon Highway Phoenix, Arizona 85018-6860

OCT - 8 2004

DOCKETED BY

RE:

ARIZONA WATER COMPANY, INC. - WESTERN GROUP, APPLICATION FOR A RATE INCREASE, DOCKET NO. W-01445A-04-0650

LETTER OF DEFICIENCY

Dear Mr. Garfield:

In reference to your rate application received on September 8, 2004, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff has found your application to be insufficient because it does not contain the requested inverted tier rate design. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiency and Docket Control receives an original and sixteen copies of the corrected pages.

You have 15 calendar days, or until October 25, 2004, to correct the deficiency or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff may request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and sixteen copies of an updated application at a later date.

The Staff person assigned to your application is Ronald E. Ludders. He can be reached at (602) 542-0857, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

Chief, Financial & Regulatory Analysis Section

Utilities Division

October 8, 2004 Page 2

CC:

Docket Control Center (sixteen copies)
Lyn Farmer, Hearing Division
Delbert Smith, Engineering
Consumer Services

Legal Division